

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

SB 3401 - HB 3854

February 26, 2010

SUMMARY OF BILL: Authorizes any charter form of government, currently served by multiple utility providers, to create a regional utility authority to provide services determined by participating government entities. Defines regional authority as a public body. Prohibits any requirements that a charter government must transfer assets, rights, functions or services to the regional utility authority.

ESTIMATED FISCAL IMPACT:

Increase Local Expenditures – Not Significant/Permissive

Other Fiscal Impact – According to the Tennessee Department of Environment and Conservation (TDEC), any widespread consolidation of utilities could cause a reduction ranging from \$120,000 to \$150,000 in federal funding for state drinking water programs.

Assumptions:

- According to the Department of Economic and Community Development, the only charter forms of government are the counties of Knox and Shelby.
- Local governments would not require significant technical assistance, travel expenditures, staff time or operating funds to establish and maintain a regional utility authority.
- Consolidation of utilities could lead to a reduction in federal funding to the drinking water program.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White".

James W. White, Executive Director

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